

Message Text

LIMITED OFFICIAL USE

PAGE 01 PARIS 07738 01 OF 02 031555Z
ACTION ABF-01

INFO OCT-01 EUR-12 IO-13 ISO-00 EB-08 TRSE-00 COME-00
A-01 SS-15 L-03 H-01 /055 W
-----104862 031701Z /45

R 031522Z MAR 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 8097
INFO AMEMBASSY BERLIN
AMEMBASSY BRUSSELS
USMISSION GENEVA
USMISSION USNATO
AMCONSUL FRANKFURT

LIMITED OFFICIAL USE SECTION 01 OF 02 PARIS 07738

BRUSSELS ALSO FOR USEEC

PARIS ALSO FOR USOECD

E. O. 11652: N/A
TAGS: AGAO, AFIN
SUBJECT: GAO SURVEY: "U.S. COMMERCIAL BANK LENDING
TO LDC'S AND EASTERN EUROPEAN
COUNTRIES"

REF: STATE 050502

1. PARA 2 REFTEL INDICATES GAO SEEKS TO OBTAIN
INFORMATION WITH RESPECT TO: (1) U.S. BANKS' EXPOSURE,
(2) BANKS' CHANCES OF COLLECTING OUTSTANDING DEBTS,
(3) RISKS SUCH DEBT POSES TO WESTERN BANKING SYSTEM, AND
(4) WHAT ROLE THE SITUATION MAY EVENTUALLY FORCE UPON
THE U.S. AND OTHER WESTERN GOVERNMENTS. THE FIRST TWO
QUESTIONS CLEARLY ARE OF A BANK AUDIT NATURE, AND THE
THIRD QUESTION DEPENDS ON DATA COLLECTED BY AUDIT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 07738 01 OF 02 031555Z

PROCESS.

2. EMBASSY REQUESTS THAT DEPARTMENT INFORM GAO THAT
U.S. COMMERCIAL BANKS IN FRANCE ARE FRENCH ENTITIES
SUBJECT TO GOF RULES AND REGULATIONS. GOF AUTHORITIES
WILL NOT ACCEPT AUDITS OR INQUIRIES OF A BANK AUDIT
NATURE BY ANY AGENCY OF A FOREIGN GOVERNMENT FOR

FRENCH BANKS, INCLUDING BRANCHES OF FOREIGN BANKS IN FRANCE. THUS, A SPECIAL ARRANGEMENT HAS BEEN WORKED OUT WHICH PERMITS U.S. AGENCIES --COMPTROLLER OF THE CURRENCY AND FEDERAL RESERVE-- TO AUDIT U.S. BANKS IN FRANCE.

3. THIS PROCEDURE HAS WORKED SMOOTHLY. DATA ON LENDING AND LOAN RISK ASSESSMENTS OF U.S. BANKS IN FRANCE ARE AVAILABLE TO USG THROUGH THIS AUDIT PROCESS. ANY ATTEMPT TO SECURE SIMILAR DATA THROUGH OTHER CHANNELS WOULD JEOPARDIZE EXISTING AUDIT ARRANGEMENTS WHICH ARE A CONCESSION TO THE USG BY THE GOF. THE GOF TREATS BANK REPORTS IT REQUIRES FROM FRENCH BANKS, INCLUDING U.S. BANKS IN FRANCE, AS CONFIDENTIAL INFORMATION. THE GOF PARTICIPATES AYN OECD ACTIVITIES RELATED TO INTERNATIONAL CREDITS, AND THIS PLUS THE ECONOMIC COMMITTEE OF NATO ARE USEFUL SOURCES OF INFORMATION. GOF BANK ASSET/ LIABILITY DATA ARE PUBLISHED ONLY ON A GLOBAL BASIS.

4. AS A GENERAL COMMENT, EMBASSY IS NOT AWARE OF BANK AUDIT ARRANGEMENTS IN OTHER COUNTRIES COVERED BY THIS STUDY; BUT, IF DATA ARE REQUIRED ON U.S. COMMERCIAL BANK LENDING, SUCH DATA ARE AVAILABLE IN U.S. ON A CONSOLIDATED AS WELL AS COUNTRY-BY-COUNTRY BASIS. IF GAO TEAM IS THOROUGHLY FAMILIAR WITH EXISTING AND LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PARIS 07738 01 OF 02 031555Z

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PARIS 07738 02 OF 02 031600Z
ACTION ABF-01

INFO OCT-01 EUR-12 IO-13 ISO-00 EB-08 TRSE-00 COME-00
A-01 SS-15 L-03 H-01 /055 W
-----104908 031701Z /45
R 031522Z MAR 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 8098

INFO AMEMBASSY BERLIN
AMEMBASSY BRUSSELS
USMISSION GENEVA
USMISSION USNATO
AMCONSUL FRANKFURT

LIMITED OFFICIAL USE SECTION 02 OF 02 PARIS 07738

USEEC

EXTENSIVE GLOBAL AND COUNTRY DATA ON U.S. BANK LENDING ABROAD, WHICH ARE AVAILABLE IN WASHINGTON, BEFORE ARRIVING IN PARIS, IT WOULD GREATLY FACILITATE DISCUSSION OF POLICY ASPECTS OF QUESTIONS NOTED IN PARA 1 ABOVE. IN THIS CONNECTION, GOF MONETARY AUTHORITIES ARE UNWILLING TO EXCHANGE DATA, INFORMATION, OR VIEWS ON SUCH MATTERS EXCEPT THROUGH GOVERNMENT-TO-GOVERNMENT CHANNELS. THEY HAVE TOLD US THEY ARE UNWILLING TO DISCUSS SUCH MATTERS DIRECTLY WITH GAO, CONGRESSIONAL STAFF, OR EVEN CONGRESSMEN MAINLY ON THE BASIS THAT THEY ARE NOT WILLING TO PROVIDE TESTIMONY EITHER DIRECTLY OR INDIRECTLY ON SUCH MATTERS THAT CONCEIVABLY COULD AFFECT U.S. LEGISLATION, OR U.S. BANK REGULATIONS, OR BE PUBLISHED AS A USG OR CONGRESSIONAL REPORT. EMBASSY CAN BRIEF TEAM, BASED ON ITS CONTACTS, ABOUT GOF VIEWS ON BANK LENDING ABROAD, INCLUDING RISKS, AND COULD SEEK THEIR VIEWS ON LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 07738 02 OF 02 031600Z

QUESTIONS OF INTEREST TO GAO. AGAIN, THOROUGH ADVANCE PREPARATION INCLUDING SPECIFIC QUESTIONS, PRIOR TO ARRIVAL IN PARIS, WOULD FACILITATE SUCH AN EXCHANGE OF INFORMATION THROUGH EMBASSY CONTACTS WITH GOF MONETARY AUTHORITIES.
HARTMAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 03 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978PARIS07738
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780097-1273
Format: TEL
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197803109/aaaadowntel
Line Count: 157
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f69024b9-c288-dd11-92da-001cc4696bcc
Office: ACTION ABF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 50502
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3125567
Secure: OPEN
Status: NATIVE
Subject: GAO SURVEY: "U.S. COMMERCIAL BANK LENDING TO LDC'S AND EASTERN EUROPEAN COUNTRIES"
TAGS: AGAO, AFIN
To: STATE
Type: TE
vdkgvkey: odhc://SAS/SAS.dbo.SAS_Docs/f69024b9-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014